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ABSTRACT

This statement by the deputy commissioner of the Bureau of Student Financial Assistance of the Office of Education discusses the Basic Educational Opportunity Grant Program and proposed changes in the Family Contribution Schedules for the 1978-79 academic year. Progress of the BEOG program during its four years of operation is reviewed, and tables describe clearly various characteristics of the Basic Grant applicant population. The adoption of a common application calendar and common data elements is noted. Proposed changes in the family Contribution Schedule have to do with: treatment of family size offsets; revision of the criteria for determining the "responsible parents"; revision of the criteria for determining when the financial circumstances of a step-parent are considered; loss of unemployment benefits as a permissible reason for filing a supplemental form; and loss of assets resulting from a natural disaster in a national disaster area. Consideration is also given to a proposed revised definition of an "independent student"; and to asset reserves for farmers and businessmen. Fifteen tables are appended. (LBH)

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Statement by
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Bureau of Student Financial Assistance
U.S. Office of Education
Department of Health, Education, and Welfare
Before the
Subcommittee on Education, Arts, and Humanities
Committee on Human Resources
United States Senate
Wednesday, September 21, 1977
10:30 a.m.

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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TESTIMONY

FOR THE 1978-79 FAMILY CONTRIBUTION SCHEDULES

Thank you for the opportunity to be with you today to discuss the Basic Educational Opportunity Grant Program and to share with you our proposed changes in the Family Contribution Schedules for the 1978-79 academic year.

INTRODUCTION

Before discussing the Family Contribution Schedules, I would like to give you a brief outline of the progress of the program during the four academic years it has been in operation. As you know, the Basic Grant Program was established by the Education Amendments of 1972 and began operations in the 1973-74 academic year with an appropriation of \$122.1 million. During that year approximately 185,000 students received awards. The program has experienced dramatic growth since that first year of existence, and during the current academic year we expect that approximately 2 million students will receive grants totaling \$1.7 billion. I have included in my testimony three charts to provide you with an illustration of the growth of the program. The first, listed as Exhibit I, shows the growth in program expenditures during its four completed years of operation with estimated amounts shown for 1977-78 and 1978-79. Exhibit II shows the growth in the number of applicants for those years, and Exhibit III shows the growth in the number of recipients. Additionally, I am submitting for the record a number of

other tables describing various characteristics of the Basic Grant applicant population. These are included in my testimony as Appendix A.

SIMPLIFYING FINANCIAL AID APPLICATION PROCEDURES:

ADOPTION OF A COMMON APPLICATION CALENDAR AND COMMON DATA ELEMENTS

As you know, the Office of Education, along with other segments of the financial aid community, has been engaged in efforts to simplify financial aid application procedures for students. There are two aspects of this effort which will have a significant impact on Basic Grant Program operations during the 1978-79 academic year which I would like to discuss with you today, since they will affect your review of the Family Contribution Schedules. These issues concern the adoption of a common calendar for the distribution of student financial aid applications and the use of common data elements on various student financial aid application forms.

Over the past several years there have been extensive discussions in the postsecondary community concerning various problems in the financial aid process. The National Task Force on Student Aid Problems (also known as the Keppel Task Force) was established to study the area of financial aid and made recommendations for improving the system. Two of their recommendations would have had a significant impact on the Basic Grant Program. The first recommendation was that a common financial aid application should be established for use by all students. Secondly, the Task Force recommended that there should be a common calendar for the

complete financial aid process. The Office of Education agreed in principle with both of these recommendations. However, it was felt that there were problems to be overcome before they could be adopted. With regard to the common form, the Basic Grant Program did not feel it could use the proposed form because it requested considerably more information than was necessary for making a determination of a student's eligibility for a Basic Grant award. With regard to the common calendar, the proposed September date for the distribution of forms would have meant that estimated income data would be reported on the form. Given the unreliability of estimated information, this was not seen as acceptable. However, the Keppel Task Force also proposed a "compromise" calendar that would call for the distribution of forms in early December with processing of completed applications to begin in January. This was the calendar that the Basic Grant Program had been using for several years.

In late 1976 there were increasing indications that the compromise calendar was acceptable to a significant portion of the postsecondary community. This was a highly significant development since it meant that actual full year data could be collected on the various forms, and therefore would be acceptable for use by the Basic Grant Program. In May of this year Secretary Califano announced that data necessary for a determination of Basic Grant eligibility could be collected on other parties' forms. This data would be transmitted to the Basic Grant Processor, who would produce an official notification and send it to the student. As a result of this process, a very large number of students

would be able to receive consideration for a Basic Grant award without having to submit a Basic Grant application. It is hoped that many students would be able to apply for institutional, State and Federal aid by completing a single form and we estimate that this approach will reduce the number of Basic Grant applications to be filed by 2.5 million.

This rather extensive background brings me to the problem at hand. The Basic Grant Program and the agencies whose forms will most likely collect data for use by Basic Grants have been working for a number of months to arrive at common definitions for the data elements. This process has been completed and a common set of instructions has also been achieved.

In order to have forms ready and available for national distribution in early December in accordance with the agreed upon calendar, the need analysis services require approximately three months of lead time for printing applications, instructions, and other informational materials, as well as for setting up the procedures for transferring application data to the Basic Grants processor. This lead time requirement means that the data elements will have to be established as final before the October 1 approval date for the Family Contribution Schedules. If any of the data elements are changed as a result of the discussions on the Schedules, it is highly likely that the timetable for the 1978-79 application process would be severely delayed. Therefore, we are requesting your concurrence that the current data elements be maintained for use in the 1978-79 Family Contribution Schedules and that no additional data elements be added. Of course it will still be possible to make

adjustments in the Schedules through the various offsets, allowances and assessment rates. In previous years it has been in these areas that the majority of changes have been made. For example, there have been revisions to the family size offsets, asset reserves, and the approach to assessing farm and business assets. In each of these cases it is not the data elements that have been affected, but rather the method of calculating the expected family contribution.

We have submitted for the record as Appendix B a list of the current data elements that are needed in the determination of Basic Grant eligibility. If it is agreed that these are the key elements upon which to base the Family Contribution Schedules, we shall continue on schedule with the development of the simplified student financial aid application procedure for 1978-79.

PROPOSED CHANGES IN THE FAMILY CONTRIBUTION SCHEDULES FOR 1978-79

At this time I would like to discuss briefly the changes we are proposing for the Family Contribution Schedules for the 1978-79 academic year. These changes, reflecting some of the concerns which have been expressed about the program during the past year, have been published as an NPRM on July 12. However, I would like to review them at this time for the record.

1. TREATMENT OF FAMILY SIZE OFFSETS

The proposed amendments to the Family Contribution Schedules provide a 6 percent increase in the family size offsets to be used during the

1978-79 academic year. This increase in the allowance for a family's basic subsistence expenses is an estimate and will be changed in accordance with the actual increase in the Consumer Price Index published by the Bureau of Labor Statistics at the end of the year. The intent of the increase is to take into account inflation in the basic cost of living during the current year. This adjustment in the schedules has been made annually since the inception of the program.

2. REVISION OF THE CRITERIA FOR DETERMINING THE "RESPONSIBLE PARENT"

Two of the proposed changes for 1978-79 Family Contribution Schedules are part of the effort to develop common data elements for the Basic Grant application and the applications of the major need analysis services. The first is a revision of the criteria for determining, in the case of a student whose parents are divorced or separated, which parent's adjusted family income shall be considered in computing Basic Grant eligibility. The current Basic Grant regulations require income information from the parent who most recently provided the greater portion of the student's support. The proposed revision, which would provide consistency with the procedures of the major need analysis services, would require income information from the parent who has custody of the student, or, in cases in which the term "custody" is no longer applicable, from the parent with whom the applicant resided for the greater portion of the twelve-month period preceding the date of the application. If the applicant did not reside with either parent during

that period, the income of the parent who is providing the greater portion of the student's support shall be considered.

3. REVISION OF THE CRITERIA FOR DETERMINING WHEN THE FINANCIAL CIRCUMSTANCES OF A STEP PARENT SHALL BE CONSIDERED

The second item relating to the effort to develop common data elements is a revision of the criteria for determining the circumstances in which a step parent's income and resources shall be considered in Basic Grant eligibility computations. Under the procedures set forth in the 1977-78 Family Contribution Schedule, the step parent's financial information is reported only when the applicant has resided with the step parent and parent during the base year or the calendar year following the base year. (No specific length of residency is stated.) Currently, the major need analysis services request financial information from the step parent in all cases. However, in using the data provided by the need analysis services to award aid under the campus-based programs, the financial aid officer has the discretion to disregard the income and asset information of the step parent if he feels the circumstances of the applicant warrant its exclusion. Because of the formula nature of the Basic Grant Program, this discretion for the financial aid officer does not exist.

In developing a uniform method for determining when to assess the income and assets of a step parent, the need analysis services and the Basic Grant Program have attempted to establish criteria which would demonstrate a financial relationship between the applicant and a step parent

which could be considered equivalent to that between an applicant and a parent or guardian. Under the proposed revision, agreed upon by the Basic Grant Program and the need analysis services, a step parent's financial information would be required if the applicant resided in the step parent's home for six weeks or more during the base year or the calendar year following the base year. Additionally, the revision would also require that the step parent's financial information be included if he or she had contributed more than \$600 per year to the applicant's support during the base year or the calendar year following the base year.

4. LOSS OF UNEMPLOYMENT BENEFITS AS A PERMISSIBLE REASON FOR FILING A SUPPLEMENTAL FORM

The Supplemental Form is intended to allow an applicant to use estimated income data in filing a Basic Grant application when a major change has taken place in the financial strength of the family. The conditions under which the form may be filed has been limited to only those cases which are most likely to result in drastic changes in family income. One of these conditions is the loss of employment by a parent of a dependent student or by an independent student or spouse. Program experience has indicated that the expiration of unemployment benefits has for many applicants constituted a change in financial circumstances equally as serious as the previous loss of employment. To permit this loss to be reflected in Basic Grant eligibility computations, we are proposing to amend the 1978-79 Family Contribution Schedules to include the loss of unemployment benefits as a permissible condition for filing a Supplemental Form.

5. LOSS OF ASSETS RESULTING FROM A NATURAL DISASTER IN A NATIONAL DISASTER AREA

In completing a Basic Grant application, the applicant or the applicant's parents must provide a listing of asset amounts, including cash on hand in savings accounts, checking accounts, and trusts, and the current market value of securities, real estate, home, and other property. Corrections in reported asset amounts are permitted only if an arithmetical error has occurred or if the information submitted was inaccurate for the date on which the application was submitted.

We are proposing a technical amendment in the regulations to provide that a revision in previously reported asset amounts may be submitted if the applicant or the applicant's family has suffered a loss of or damage to assets resulting from a natural disaster in an area which has been declared a national disaster area by the President.

PROPOSED REVISED DEFINITION OF AN "INDEPENDENT STUDENT"

I would now like to turn to a discussion of the new proposed definition of the independent student, which was published as a proposed regulation on July 12, 1977.

Before reviewing the specific proposals, however, I would like to note that the determination of who should be considered as independent of parental support to help pay for a student's educational costs has been a complex and controversial issue within the financial aid community for

a number of years. While it is generally agreed that primary responsibility for financing a student's education should rest with the student and his or her family, it is also well known that there are individual students for whom it would be unreasonable to expect a parental contribution.

At the same time, during past years, there appeared to be no clear consensus as to how to identify those cases when parents cannot be expected to contribute to postsecondary expenses. In this context, the higher education community has become increasingly concerned that the definition of the independent student currently in effect for the major Federal aid programs is not a satisfactory means of determining whether a student is truly self-supporting.

As you know, the current regulations for the Basic Grant Program and for the three campus-based programs define an independent student as one who, during both the year for which aid is requested and the prior calendar year, has not been claimed by any person except his spouse as an exemption for Federal income tax purposes, has not received financial assistance of more than \$600 from his parents, and has not lived for more than two consecutive weeks in his parents' home.

In recognition of concerns voiced by the aid community and in light of increasing indications that the intent of the present definition to maintain parental financial responsibility may be readily circumvented by

those parents who choose not to claim a student as a tax exemption during the base year in order to qualify the student as an independent applicant, the Office of Education undertook steps to develop a revised definition which would be responsive to these issues. As part of this effort, the Office of Education solicited the advice and counsel of the financial aid community by issuing a notice of intent in the Federal Register on November 29, 1976. The public was invited to comment on the definition in its current form and to suggest any changes which would reinforce the concept that the primary responsibility for financing the cost of postsecondary education rests with the student and his parents, without penalizing the truly independent student and without being unduly difficult to administer. All comments which were received, both by mail and at the five hearings held in various cities, were given careful consideration before the proposed modification of the definition was drafted.

In addition, the Office of Education held an invitational seminar attended by representatives of the financial aid community to discuss possible alternatives for a changed definition of the independent student. In response to public comments and discussions, the Office of Education issued the proposed regulation which reflected the general consensus of comments received at that time.

Specifically, the major proposed modifications to the current definition of the independent student are to:

1. Extend the Federal tax exemption criteria to apply for two calendar years prior to the year for which aid is requested, rather than one calendar year.
2. Extend the number of weeks an independent student may reside with his parents during the year for which aid is requested and the prior calendar year from two weeks to six weeks.

Shortly after its publication in the Federal Register copies of the proposed revision were mailed to all institutions participating in the Basic Grants and campus-based aid programs, and comments were solicited. Additionally, institutional representatives, students, and any other interested parties were invited to present their views at a hearing here in Washington on August 8.

As might be expected with such a controversial topic, the proposed revision of the independent student definition has generated a good deal of response. While diverse opinions have been expressed on the content of the revision, the commenters representing the major educational associations and national need analysis services have been unanimous on one point. All of them agree that the current definition should remain in effect for the 1978-79 academic year and that any changes which ultimately are made in the definition should not become effective until the 1979-80 academic year. The reason for the apparent unanimity on this point stems from the time requirements necessary for the publication of institutional catalogues, financial aid applications, brochures, and other informational documents which include

the independent student criteria. According to the information provided by the commenters, many institutions have already begun to prepare these items for the 1978-79 academic year. Additionally, national need analysis services, State agencies, and other non-Federal student aid programs have begun to develop their forms and implement their procedures for 1978-79. Commenters representing these institutions and organizations indicated that a change in the definition for 1978-79 at this time would create serious administrative difficulties. Thus, they urged that the implementation of any changes be postponed until 1979-80, and that the final regulation be published with a liberal period of lead time in which forms, publications, and program procedures could be modified.

In responding to this widely expressed concern, we will postpone the implementation of any changes which are ultimately made in the independent student definition until the 1979-80 academic year. This delay will provide additional time to study public response in order to insure that the final regulation on the definition reflects the consensus of the financial aid community. Additionally, we shall publish the definition far enough in advance of the beginning of that academic year to permit the necessary changes to be made with as little inconvenience to institutions as possible.

To provide you with additional information concerning the independent student segment of the Basic Grant applicant population, I am submitting for the record several statistical tables. These are included as Figures 2, 4, and 5 in Appendix A.

These tables provide a summary of independent student characteristics for the 1976-77 Basic Grant applicant population. We should like to note that this program data does not permit a precise assessment of the impact on the student population of the proposed amendments to this definition. To the best of our knowledge, such data is currently not available. At the same time, however, some general observations on the impact of proposed definition may still be made.

Specifically, program data indicates that about 70 percent of all independent applicants are 23 years of age or older. Given this age level, it is reasonable to assume that this category of independent applicants are least likely to be affected by the proposed definition as the vast majority of these students can be expected to have been truly self-supporting for a considerable period of time.

On the other hand, some 30 percent of the independent applicants are 22 years of age or younger. During the 1976-77 academic year, about 370,000 of the independent applicants fell in this age category. Obviously, the proposed definition would more directly affect this category of applicants in the sense that a certain proportion of these applicants would be considered as dependent on parental resources under the proposed rule. At the same time, it is our view that the temptation to trade off a tax exemption for increased student aid is strongest for parents of students in this age category, since these younger students are more likely to be

receiving support from their parents. The proposed regulation, while admittedly not eliminating this problem, will certainly make it more difficult to establish independent student status through advance planning on the part of the student and his parents.

ASSET RESERVES FOR FARMERS AND BUSINESSMEN

In concluding my remarks today, there is one item I should like to mention briefly concerning the asset reserves in the Family Contribution Schedules as they may be affected by the pending appropriation bill.

As you know, the Family Contribution Schedule for dependent students includes a reserve of \$12,500 against asset equity before any assessment of a family's assets is made. Since there is an additional \$12,500 reserve against farm and business assets, the total asset reserve for the farmer or business owner can be as much as \$25,000.

The HEW-Labor appropriation bill includes in the Basic Grant appropriation \$90 million intended specifically by the appropriation committee to be used to raise the reserves against reported assets above their current levels. Fifty million of this amount has been designated to be used to raise the asset reserves for farmers and businessmen. It is my understanding that the intent of the committee was that the sum of the two asset reserves for farmers and businessmen be raised from its current level of \$25,000 to \$50,000. The remaining \$40 million is designated for raising the asset reserve for non-farm and business assets from the current \$12,500 to whatever level that sum would permit.

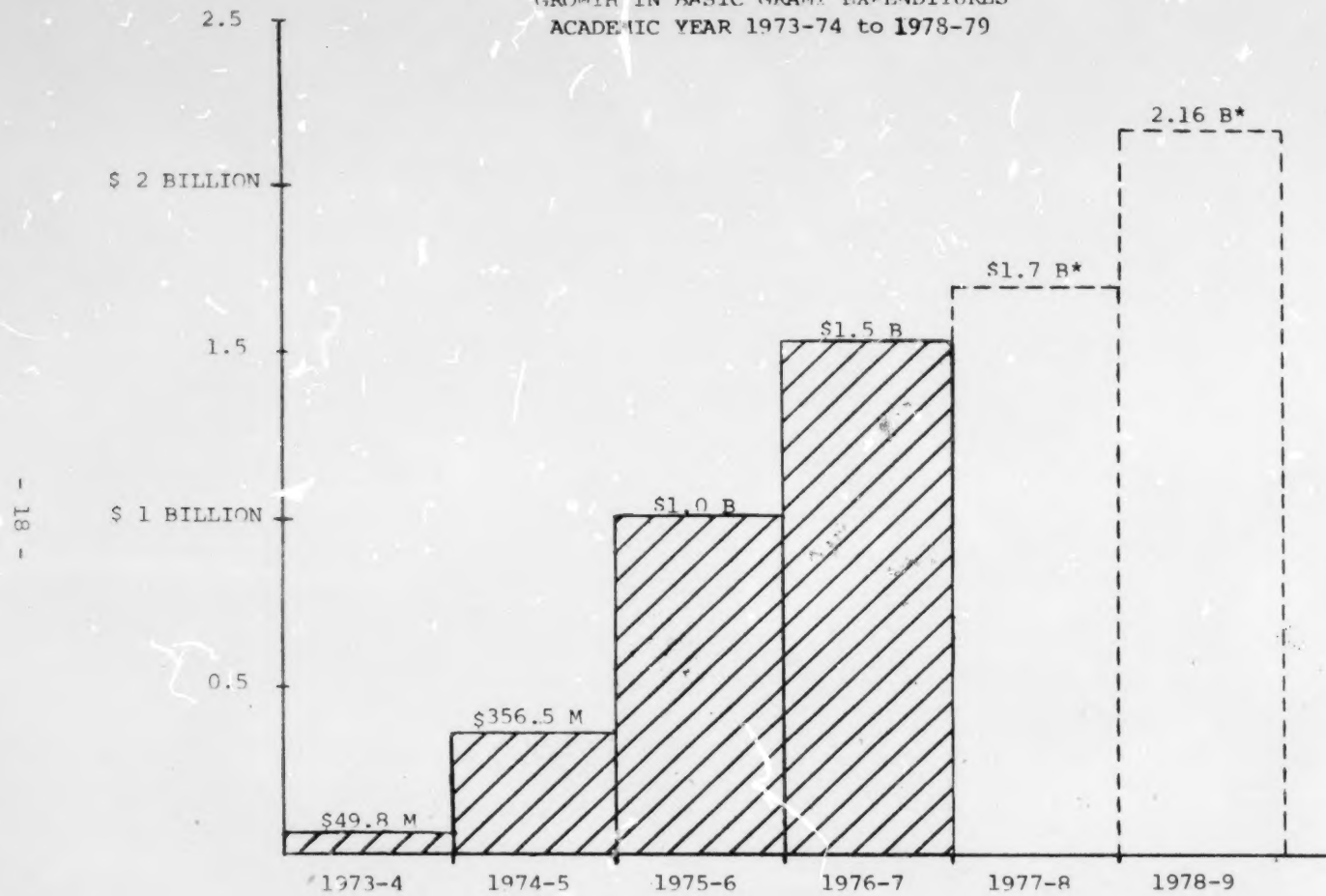
We originally estimated that the cost of raising the sum of the asset reserves for farmers and businessmen to \$50,000 could reach \$50 million. However, our later, more detailed analysis of our statistical data on these two categories of applicants indicates that the cost will be approximately \$24 million. Given this expenditure, \$66 million would remain which could be applied against the asset reserve for non-farm and business assets reported by applicants, instead of the \$40 million originally designated by the appropriation committee. If the entire \$66 million were to be used for this purpose, we estimate that the asset reserve could be raised from its current level of \$12,500 to \$17,000.

Our 1976-77 applicant data indicates that about 67 percent of all applicants reported an asset equity below \$17,000, and approximately 66 percent of the farmers and 85 percent of the businessmen reported an asset equity below \$50,000. Appendix A includes three charts concerning asset holdings of the Basic Grant applicant population which we would be happy to discuss with you.

As you know, we did not include a proposal to raise the level of the asset reserves among the proposed changes for the 1978-79 academic year. However, if the Committee agrees to the suggestion that we raise the sum of reserves for farmers and businessmen to \$50,000 and use the remainder of the \$90 million to raise the reserve for non-farm and business assets to \$17,000, we shall include these changes in the 1978-79 Family Contribution Schedule when it is published as a final regulation.

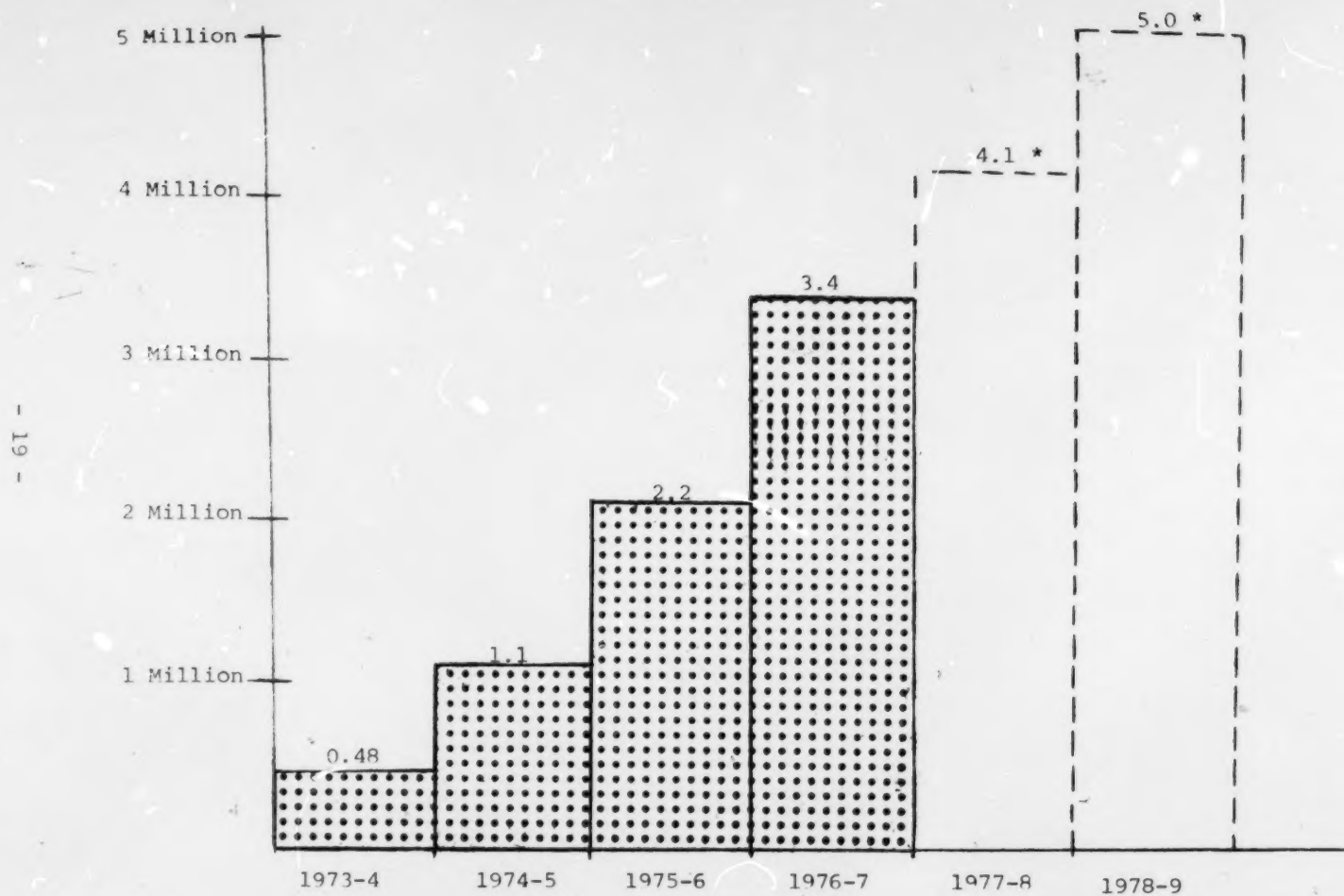
At this time, I will be pleased to respond to any questions on our proposals for the 1978-79 Family Contribution Schedules.

EXHIBIT I
GROWTH IN BASIC GRANT EXPENDITURES
ACADEMIC YEAR 1973-74 to 1978-79



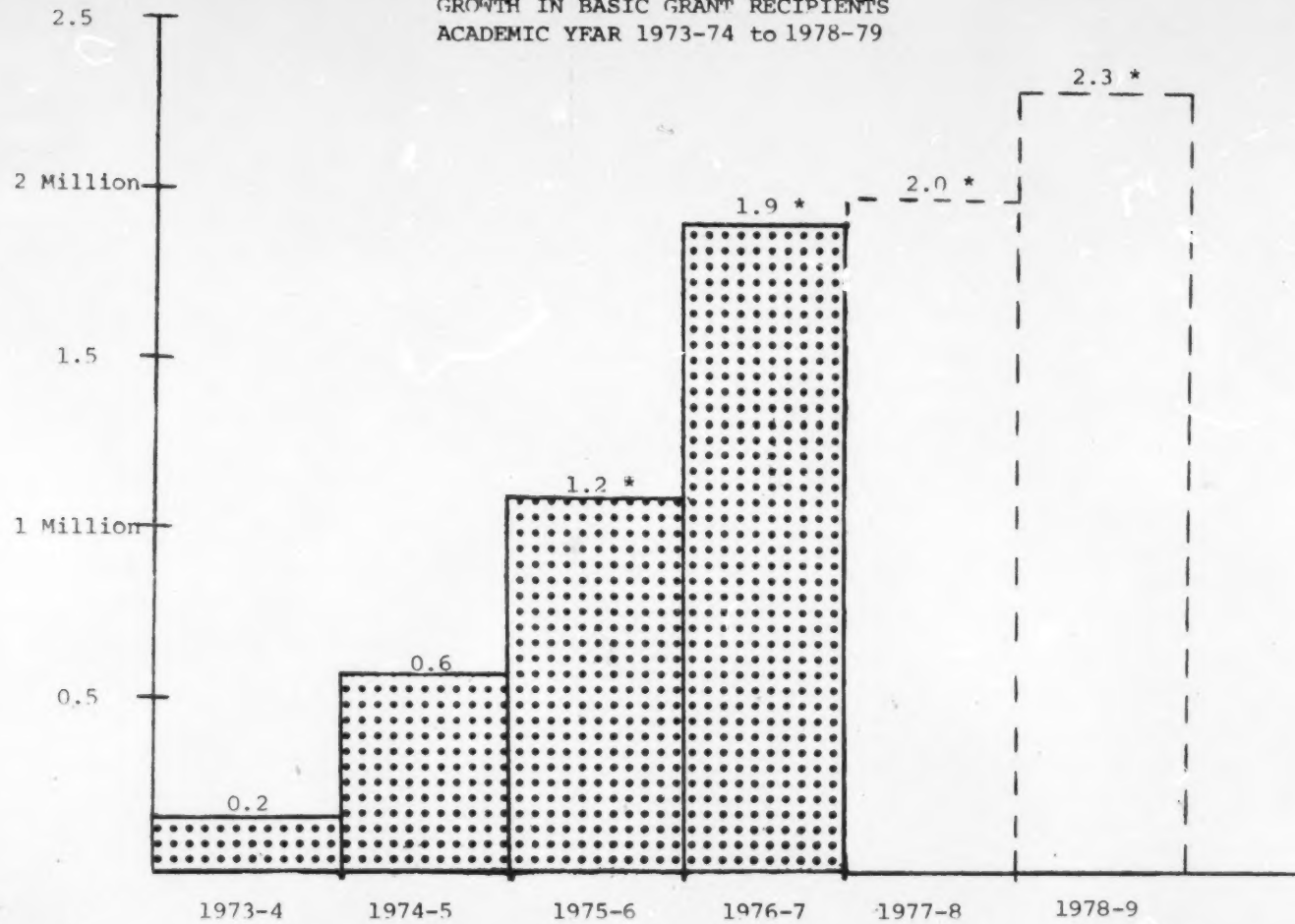
* Estimated Expenditure

EXHIBIT II
GROWTH IN BASIC GRANT APPLICANTS
ACADEMIC YEAR 1973-74 to 1978-79



* Estimated Applicants

EXHIBIT III
GROWTH IN BASIC GRANT RECIPIENTS
ACADEMIC YEAR 1973-74 to 1978-79



* Estimated Recipients

Maximum Award	\$452	\$1050	\$1400	\$1400	\$1400	\$1600
Minimum Award	50	50	200	200	200	50
Average Award	269	621	763	790	848	914

APPENDIX A

List of Figures

<u>FIGURE</u>	<u>TITLE</u>
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Figure 4	Percent of Qualified Applicants Filing as Independents by Academic Year
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Figure 6	Percent of Applicants by Asset Level for Eligible and Ineligible Dependent Applicants, Any Asset Owner (1976-77)
Figure 7	Percent of Applicants by Asset Level for Eligible and Ineligible Dependent Applicants, Business Owners Only (1976-77)
Figure 8	Percent of Applicants by Asset Level for Eligible and Ineligible Dependent Applicants, Farm Owners Only (1976-77)

FIGURE 1
SUMMARY STATISTICS-BASIC GRANT PROGRAM

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Number of Applications Processed	512,866	1,304,877	2,339,337	3,590,379
Number of Applications Returned (Insufficient data)	100,862	190,793	160,641	181,661
Number of Valid Applications	482,331	1,114,084	2,178,696	3,426,504
Number of Applicants Qualified	268,444	681,648	1,455,187	2,262,348
Number of Applicants not Qualified	213,887	432,436	723,509	1,164,156
Percentage of Valid Applicants Qualifying	55.7%	61.2%	66.8%	66.0%
Data Summary of Valid Applicants				
1. <u>DEPENDENT STUDENTS</u>				
Number of Valid Applications Dependent Students	423,229	896,366	1,594,454	2,187,004
Percentage of Valid Applicants from Dependent Students	87.7%	80.5%	73.2%	63.8%
Number of Dependent Applicants who Qualify	232,641	532,705	1,021,936	1,394,738
Percentage of Dependent Applicants who Qualify	55.0%	59.5%	64.1%	63.8%
2. <u>INDEPENDENT STUDENTS</u>				
Number of Valid Applications from Independent Students	59,102	217,718	584,242	1,234,500
Percentage of Valid Applications from Independent Students	12.3%	19.5%	26.8%	36.2%

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Number of Independent Applicants who Qualify	35,803	148,943	433,251	867,610
Percentage of Independent who Qualify	60.6%	68.4%	74.2%	70.0%
3. <u>APPLICANTS WITH FARM ASSETS</u>				
Number of Dependent Applicants with Farm Assets	25,360	52,368	86,811	104,305
Percentage of Dependent Applicants with Farm Assets	6.0%	5.8%	5.4%	4.8%
Number of Dependent Applicants with Farm Assets who Qualify	10,468	23,261	44,128	59,817
Percentage of Dependent Applicants with Farm Assets who Qualify	41.3%	44.4%	50.8%	57.3%
4. <u>APPLICANTS WITH BUSINESS ASSETS</u>				
Number of Dependent Applicants with Business Assets	24,412	56,107	101,610	138,157
Percentage of Dependent Applicants with Business Assets	5.8%	6.3%	6.4%	6.3%
Number of Dependent Applicants with Business Assets who Qualify	10,763	27,286	53,269	78,906
Percentage of Dependent Applicants with Business Assets who Qualify	44.1%	48.6%	52.4%	57.1%
5. <u>VETERANS EDUCATIONAL BENEFITS RECIPIENTS</u>				
Number of Applicants Receiving Veterans Educational Benefits	26,645	59,736	136,338	246,900

	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Percentage of Applicants Receiving Veterans Educational Benefits	5.5%	5.4%	6.3%	7.2%
Number of Applicants Receiving Veterans Educational Benefits who Qualify	5,020	23,258	79,554	140,587
Percentage of Applicants Receiving Veterans Educational Benefits	18.8%	38.9%	58.4%	56.9%

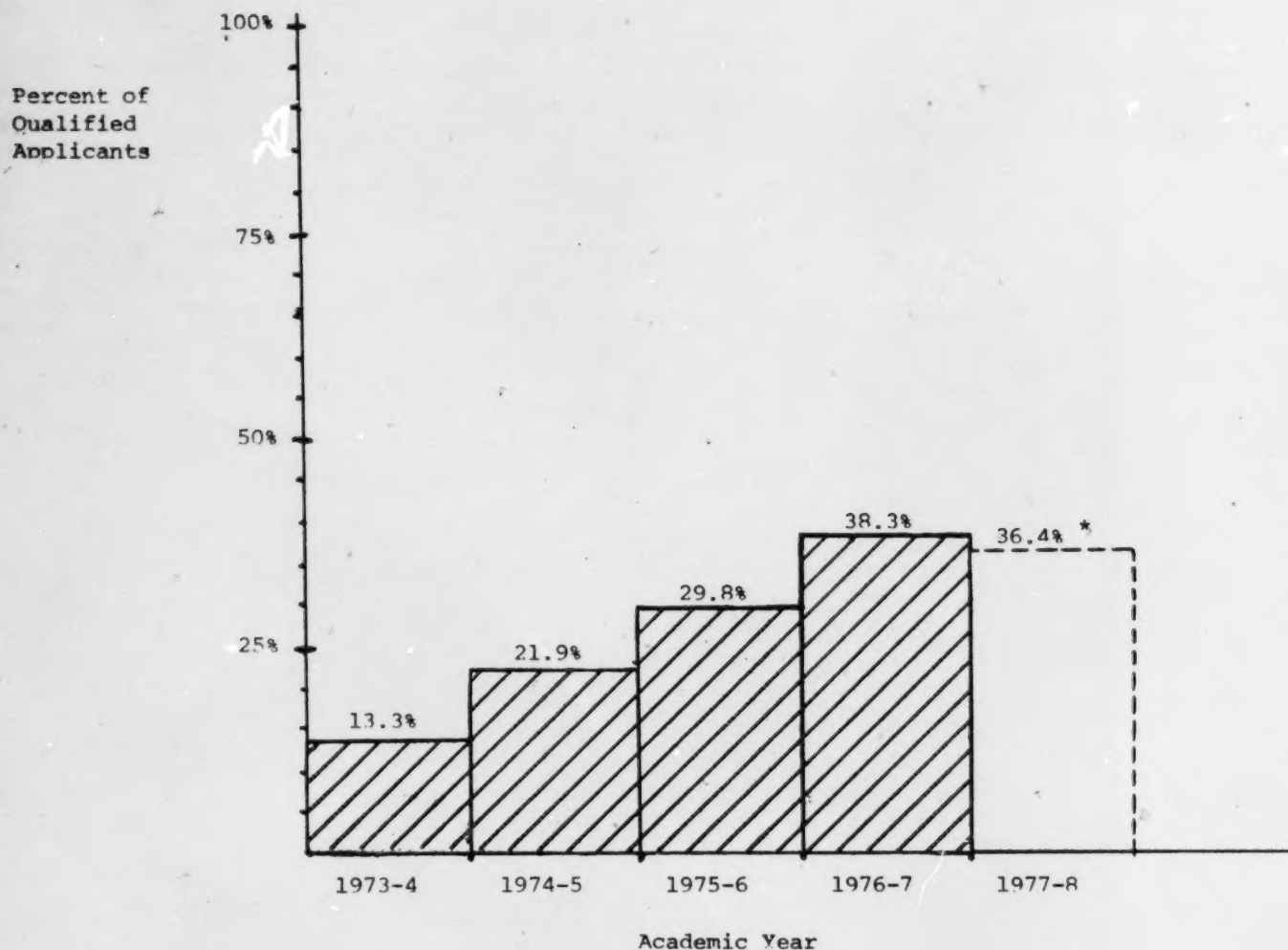
ELIGIBILITY INDEX LEVEL BY FAMILY INCOME FOR ALL
INDEPENDENT APPLICANTS
(1976-77)

ELIGIBILITY INDEX	INCOME RANGE							TOTAL
	\$ 0- 2,999	\$3,000- 4,499	\$4,500- 5,999	\$6,000- 8,999	\$9,000- 11,999	\$12,000- 14,999	\$15,000 +	
0-200	372,472	134,836	69,664	30,598	1,829	128	56	609,582
	61.2%	22.1%	11.4%	5.0%	0.3%	0.0%*	0.0%*	100.0%
201-400	27,800	3,710	11,853	13,976	1,236	57	5	58,637
	47.5%	6.3%	20.2%	23.8%	2.1%	0.1%	0.0%*	100.0%
401-600	27,354	1,192	9,314	15,929	1,804	147	15	55,755
	49.1%	2.1%	16.7%	28.6%	3.2%	0.3%	0.0%*	100.0%
601-800	28,734	882	5,106	16,711	2,746	254	20	54,453
	52.8%	1.6%	9.4%	30.7%	5.0%	0.5%	0.0%*	100.0%
801-1000	23,814	824	2,913	15,015	3,805	378	42	46,791
	50.9%	1.8%	6.2%	32.1%	8.1%	0.8%	0.1%	100.0%
1001-1200	21,869	1,054	1,517	12,394	4,998	510	49	42,391
	51.6%	2.5%	3.6%	29.2%	11.8%	1.2%	0.1%	100.0%
TOTAL	502,043	142,498	100,367	104,623	16,418	1,474	187	867,610
	57.9%	16.4%	11.6%	12.1%	1.9%	0.1%	0.0%*	100.0%

ELIGIBILITY INDEX LEVEL BY FAMILY INCOME FOR ALL
ELIGIBLE APPLICANTS
(1976-77)

ELIGIBILITY INDEX	INCOME RANGE							TOTAL QUALIFIED APPLICANTS
	\$0 2,999	\$3,000 4,499	\$4,500 5,999	\$6,000 8,999	\$9,000 11,999	\$12,000 14,999	\$15,000 +	
0-200	588,229	297,982	221,034	222,561	55,842	7,858	1,333	1,394,859
	42.2%	21.4%	15.8%	15.9%	4.0%	0.6%	0.1%	100%
201-400	31,396	7,471	24,431	70,058	47,273	15,060	2,473	198,162
	15.8%	3.8%	12.3%	35.4%	23.9%	7.6%	1.2%	100%
401-600	28,521	2,810	13,900	55,772	53,976	26,267	7,029	188,162
	15.1%	1.5%	7.4%	29.6%	28.7%	14.0%	3.7%	100%
601-800	29,462	1,991	7,979	39,763	51,854	34,788	13,686	179,523
	16.4%	1.1%	4.4%	22.2%	28.9%	19.4%	7.6%	100%
801-1000	24,305	1,574	4,960	28,446	43,520	38,698	21,175	162,678
	14.9%	1.0%	3.1%	17.5%	26.7%	23.8%	13.0%	100%
1001-1200	22,098	1,543	2,907	20,811	29,895	34,579	27,018	138,851
	15.9%	1.1%	2.1%	15.0%	21.5%	24.9%	19.5%	100%
TOTAL	724,011	313,371	275,211	437,411	282,360	157,250	72,734	2,262,348
	32.0%	13.8%	12.2%	19.3%	12.5%	7.0%	3.2%	100%

FIGURE 4
PERCENT OF QUALIFIED APPLICANTS FILING
AS INDEPENDENTS BY ACADEMIC YEAR



* BEOG National Summary Statistics as of 8/16/77

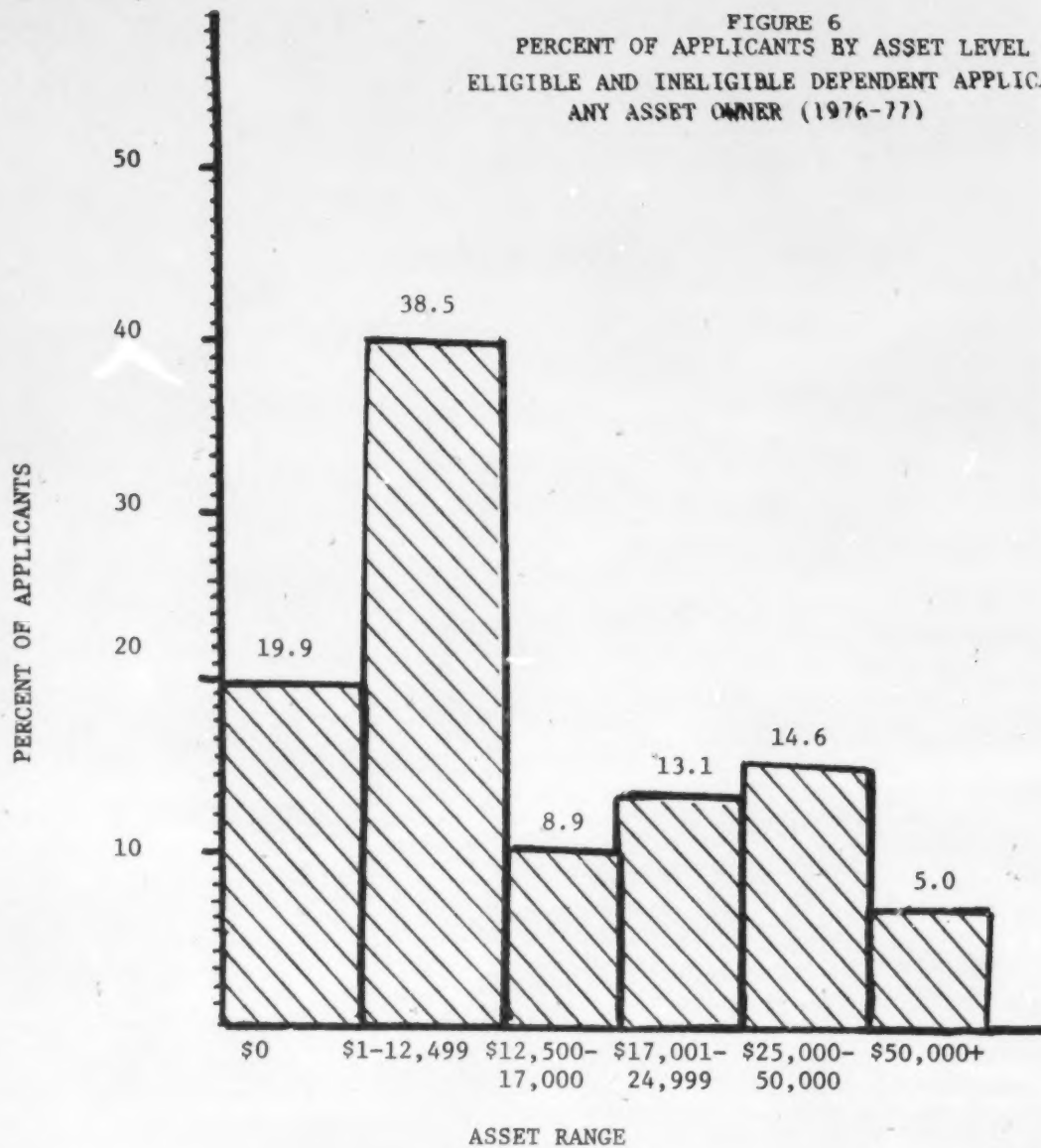
FIGURE 5
TOTAL INDEPENDENT APPLICANTS FAMILY SIZE
BY AGE
(1976-77)

FAMILY SIZE	APPLICANT'S AGE			TOTALS
	22 or Less	23 - 27	28 and Over	
Single Independent Applicants	211,195	174,634	84,266	470,095
Percentage	44.9%	37.2%	17.9%	100.0%
All Other Independent Applicants	157,999	268,590	341,210	767,799
Percentage	20.6%	35.0%	44.4%	100.0%
Total Independent Applicants	369,194	443,224	425,476	1,237,894
Percentage	30.0%	35.8%	34.3%	100.0%

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TOTAL INDEPENDENT APPLICANTS FAMILY SIZE
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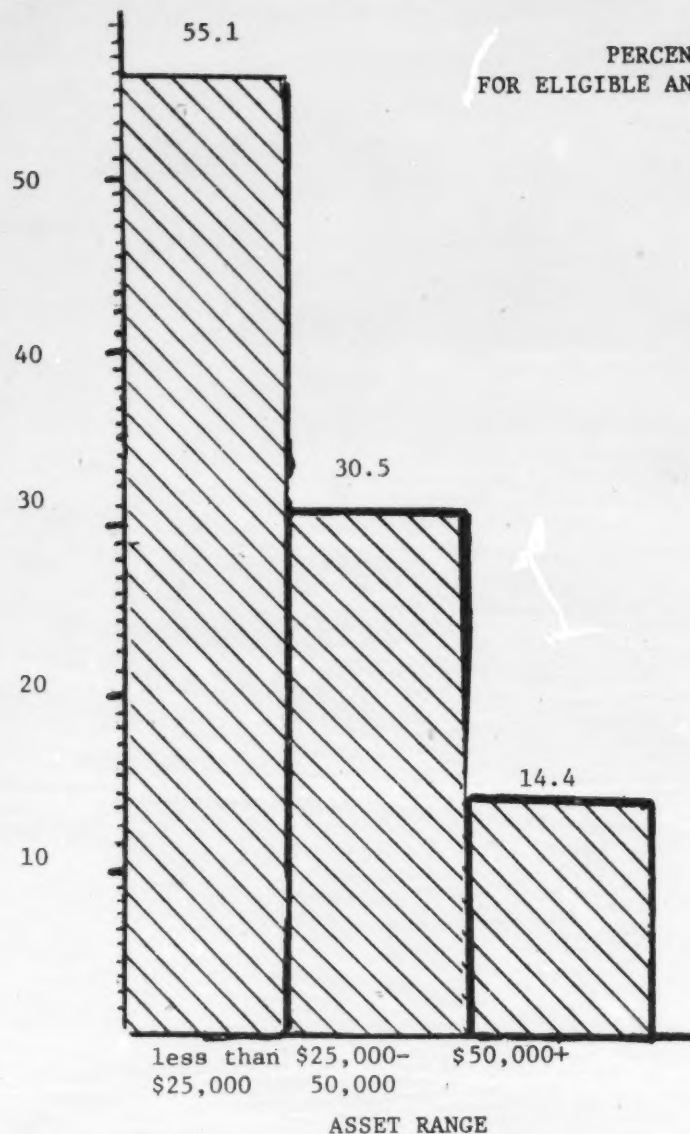
FIGURE 6
PERCENT OF APPLICANTS BY ASSET LEVEL FOR
ELIGIBLE AND INELIGIBLE DEPENDENT APPLICANTS
ANY ASSET OWNER (1976-77)



N= 2,187,004

FIGURE 7
 PERCENT OF APPLICANTS BY ASSET LEVEL
 FOR ELIGIBLE AND INELIGIBLE DEPENDENT APPLICANTS BUSI
 OWNERS ONLY (1976-77)

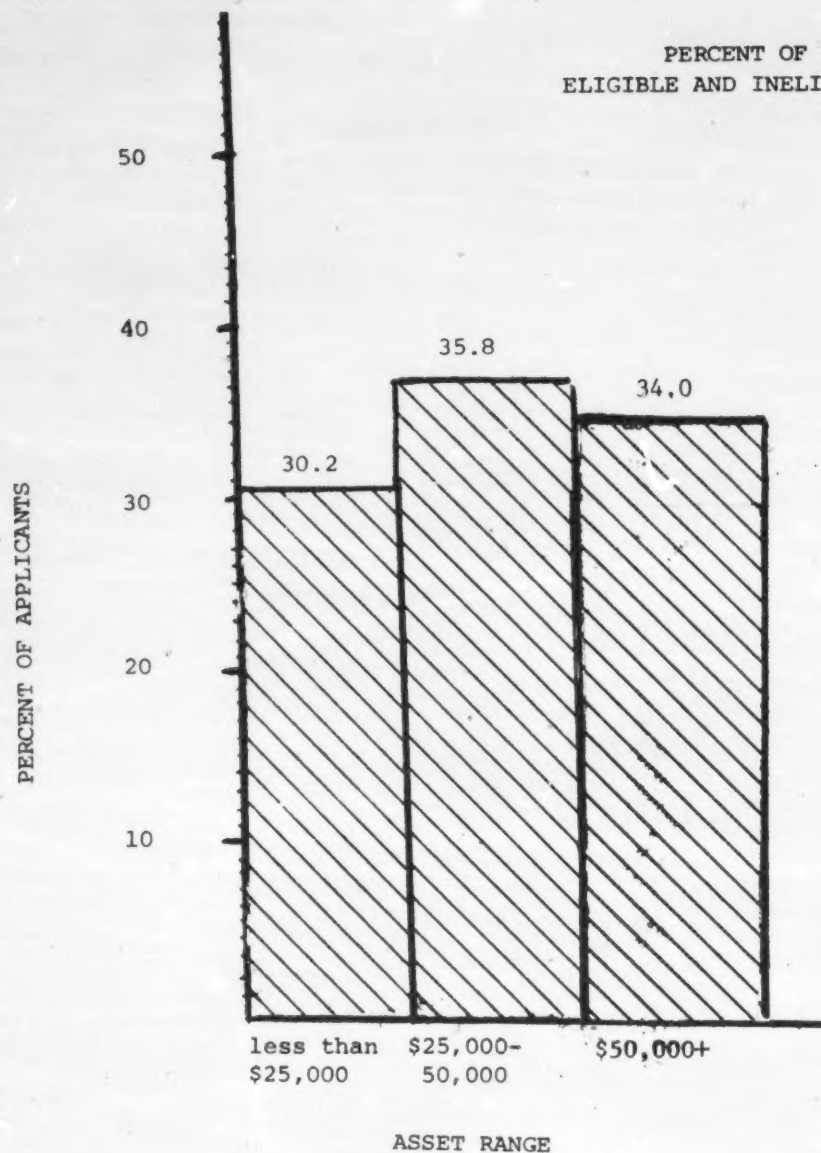
PERCENT OF APPLICANTS



N= 138,041

Note: Data by Asset Range is interpolated from BEOG Program Data

FIGURE 8
PERCENT OF APPLICANTS BY ASSET LEVEL FOR
ELIGIBLE AND INELIGIBLE DEPENDENT APPLICANTS FARM OWNERS ONLY
(1976-77)



N= 104,004

Note: Data by Asset Range is interpolated from BEOG Program Data

APPENDIX B

BASIC GRANT APPLICATION DATA ELEMENTS

<u>Data Element</u>	<u>Description (as necessary)</u>
Social Security Number	
Name	
Date of Birth	
Citizenship	
State of Legal Residence	Item is used in coordination of aid with State scholarship programs.
Address	
Postsecondary Institution	Student may list two schools to which Basic Grants will send results of processing the application.
Educational Level	Student's level of postsecondary education for the 1978-79 academic year; first through fifth years of undergraduate study.
Applicant's Status	Three questions used to determine if student is independent of parents; see further discussion below.
NOTE: The following items will be collected for the parent <u>or</u> the applicant, depending on whether the applicant is dependent or independent.	
Marital Status	Item used in determining eligibility for Employment Expense Offset.
Household Size	Item used in determining amount of Family Size Offset.
Members in Postsecondary Education	Item collects number of members of household that will be enrolled in a postsecondary institution on at least a half-time basis during 1978-79.

Nontaxable Income	Item includes social security benefits, child support, welfare, unemployment compensation, untaxed earned income, etc.
Tax Exemptions	
Adjusted Gross Income	1977 income reported on 1040 or 1040A
Employment Income	Item collects portion of Adjusted Gross Income earned through employment by father and mother (applicant and spouse).
Income Tax Paid	
Itemized Deductions	
Medical/Dental Expenses	Item collects amount of 1977 medical and dental expenses not covered by insurance.
Elementary/Secondary Tuition	Item collects amount of unreimbursed elementary and secondary tuition and fees paid for other members of the household.
House Value and Debts	All asset items reflect current market value. Debts are against reported assets.
Investments/Other Real Estate and Debts	
Cash, Savings, and Checking Accounts	
Business Value and Debts	
Farm Value and Debts	
Applicant's Savings and Other Resources	Item collects net amount of dependent applicant's savings and other assets.
Veteran's Educational Benefits	Item collects amount of benefits to be received during the 1978-79 academic year by the applicant (dependent and independent) through G.I. Bill and War Orphans' and Widows' Education Assistance Program.

Social Security Benefits

Item collects amount of benefits to be received during the 1978-79 academic year by the applicant (dependent and independent) because he or she is a student.

Social Security Benefits

Item collects amount of benefits to be received during the 1978-79 academic year by the applicant (dependent and independent) because he or she is a student.